

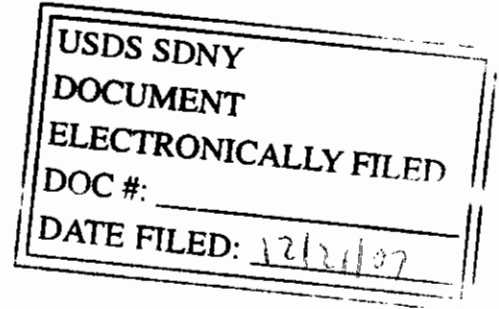
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December 19, 2007

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BY HAND

The Honorable Richard J. Sullivan
United States District Judge
United States District Court
Southern District of New York
Daniel Patrick Moynihan
United States Courthouse
500 Pearl St., Room 615
New York, New York 10007



Re: Martinez de Gonzalez v. UBS AG, et an.
Case No. 07 CIV 7462 (RJS)

Dear Judge Sullivan:

This Firm represents plaintiff Letizia Martinez de Gonzalez ("Ms. Gonzalez"), as trustee and duly appointed executrix of the estate of her father, Dr. Emilio Martinez Manautou ("Dr. Martinez").

As the Court requested, I write following on the Scheduling and Pre-Motion Conference held on December 5, 2007, to advise the Court of the current status with respect to Ms. Gonzalez's request for the immediate release of all remaining funds, approximately \$4.9 million, on account with UBS in the name, and for the benefit, of Dr. Martinez and his estate, and to request approval of a proposed briefing schedule for a motion, now made necessary by UBS AG's refusal to honor its in Court agreement, to immediately release certain funds.

By way of brief background, on November 1, 2007, Ms. Gonzalez sought leave to make a motion for an order requiring the release of the \$4.9 million (the "Account Balance") on account with, and held by, UBS for more than three years. By letter dated November 6, 2007, UBS opposed the request in its entirety.

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At the December 5 conference, and with the aid of the Court, UBS agreed in open Court to release the Account Balance less approximately \$1.6 million (reflecting the amount of estate taxes to which Dr. Martinez's estate was unnecessarily subject and which taxes the estate already paid (the "Estate Tax Amount")), or a total distribution of approximately \$3.3 million (the "Distribution Amount"), subject only to all beneficiaries providing releases in favor of UBS AG of any and all claims relating to the distribution of the Distribution Amount. No other conditions or exceptions were discussed or imposed.

In accordance with the parties' agreement, on December 11, 2007, I provided UBS AG's counsel with a form of Release and Distribution Agreement, along the lines previously entered into by the parties with respect to prior distributions, providing for the immediate release of the agreed upon Distribution Amount.

On December 17, 2007, counsel to UBS advised, and for the first time, that in addition to the Estate Tax Amount, it was no longer willing to release an additional, unidentified amount in excess of \$1 million, claiming it is entitled to hold this sum in reserve and indefinitely to indemnify itself for possible legal fees in connection with the litigation of the underlying claims in this lawsuit (the "Attorneys' Fees Amount"), notwithstanding its prior agreement in open Court to the contrary. Counsel did advise that UBS AG would agree immediately to release approximately \$2.2 million (the Account Balance less the Estate Taxes and Attorneys' Fees Amount) without further condition or limitations.

On December 18, 2007, I again spoke with counsel for UBS AG, who suddenly, and without explanation, advised that UBS AG now was no longer willing to agree to release any of the Account Balance, further reneging on its agreement in open Court, unless and only if Ms. Gonzalez

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first agreed not to seek the release of the Estate Tax Amount UBS continues to hold. UBS AG's position is directly contrary to the representations made, and the agreement reached, in open Court, and with the assistance of Your Honor, necessitating the need now to file an omnibus motion for the release of all funds.

I discussed with counsel to UBS AG the following briefing schedule, taking into account the upcoming holiday season:

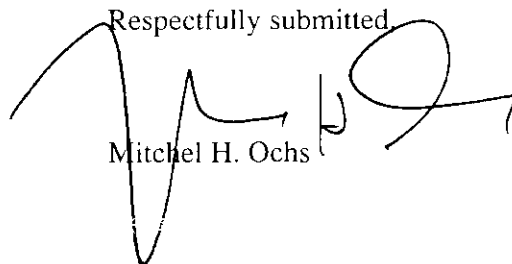
Opening Brief due January 18, 2008;

Answering Brief due February 1, 2008;

Reply Brief due February 8, 2008.

Should the proposed briefing schedule be acceptable to the Court, I will advise UBS AG's counsel accordingly. In the meantime, I am available, at the Court's convenience, to discuss this matter if and as the Court wishes.

Respectfully submitted,



Mitchel H. Ochs

MHO:kc
1860.05

cc: Robert Goodman, Esq. (By Hand)

The proposed briefing schedule is accepted by the Court.

SO ORDERED
Dated:

12/20/07


RICHARD J. SULLIVAN
U.S.D.J.